



Administration  
for Children  
and Families

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Administration on Children, Youth and Families

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**3. Originating Offices:** Children's Bureau

**4. Key Words:** Title IV-E Programs Quarterly Financial Report, Form CB-496; Funding Certainty Grants; Federal Financial Participation (FFP); Federal Fiscal Year (FFY); and On-Line Data Collection (OLDC)

### Program Instruction

**TO:** State, Territorial and Tribal Agencies Administering or Supervising the Administration of the Foster Care, Adoption Assistance, Guardianship Assistance, Kinship Navigator and Prevention Services programs under Title IV-E of the Social Security Act, Indian Tribes, Tribal Organizations and Tribal Consortia (Tribes).

**SUBJECT:** Approval of a revised form for reporting financial data on the title IV-E Foster Care, Adoption Assistance, Guardianship Assistance, Kinship Navigator and Prevention Services Programs.

**LEGAL AND RELATED REFERENCES:** 45 CFR 201.5; Title IV-E of the Social Security Act (the Act); the Family First Transition Act within Section 602, Subtitle F, Title I, Division N of the Further Consolidated Appropriations Act, Public Law (P.L.) 116-94 enacted December 20, 2019; the Family First Prevention Services Act within Division E, Title VII of the Bipartisan Budget Act of 2018 (P. L.115-123) enacted February 9, 2018; ACYF-CB-PI-18-12; and ACYF-CB-PI-20-08.

**PURPOSE:** This Program Instruction (PI) provides State, Territorial, and Tribal title IV-E agencies (hereafter, "title IV-E agencies") with the revised form and instructions approved by the U.S. Office of Management and Budget (OMB) for reporting quarterly financial information on the title IV-E Foster Care, Adoption Assistance, Guardianship Assistance, Kinship Navigator and Prevention Services Programs, as well as annual information relating to Adoption Savings. This PI also provides additional guidance to qualifying title IV-E agencies that previously operated title IV-E child welfare waiver demonstration projects on how to report title IV-E costs used to calculate Funding Certainty Grants, authorized by the Family First Transition Act.

**BACKGROUND:** The title IV-E Foster Care, Adoption Assistance and Guardianship Assistance, Kinship Navigator and Prevention Services Programs are funded

through quarterly reports submitted by title IV-E agencies containing program estimate and expenditure information. In 2010, the OMB approved the Title IV-E Programs Quarterly Financial Reporting Form (Form CB-496) for use as the financial report for three of these programs (i.e., title IV-E Foster Care, Adoption Assistance, and Guardianship Assistance) as a replacement for Form ACF-IV-E-1 (see ACYF-CB-PI-10-14, dated November 23, 2010). The OMB last approved revisions to Form CB-496 in 2018 for a three-year period ending May 31, 2021 (see ACYF-CB-PI-18-12, dated November 30 2018).

ACF is issuing a revised Form CB-496 in response to new statutory provisions and the issuance of a program policy clarification. The Family First Transition Act, enacted as part of P.L. 116-94, contained two provisions affecting financial reporting for title IV-E programs. A clarification of title IV-E policy issued through the Children's Bureau (CB) Child Welfare Policy Manual (CWPM) in 2019 also identified a new subcategory of title IV-E foster care administrative costs (CWPM section 8.1B Q/As #30 and 31). As required by the Paperwork Reduction Act, ACF sought OMB approval for the revised form.

**INFORMATION:** The OMB approved the revised CB-496 financial reporting form for use through May 31, 2021 as a replacement for the previous version released through issuance of ACYF-CB-PI-18-12. Since the approval was granted after the due date for federal fiscal year (FFY) 2020, quarter one CB-496 reporting, the revised CB-496 will be implemented for reporting periods beginning with FFY 2020, quarter two.

The revised Title IV-E Programs Quarterly Financial Report, Form CB-496, is applicable to all title IV-E agencies. It follows the same general format and content of the prior version of the reporting form, but collects additional or modified information needed to administer the programs covered and provides additional instructions for form completion. In revising the form, ACF sought to retain pre-existing reporting line numbers by creating sub-lines for newly collected data.

#### *CB-496 changes relating to the Family First Transition Act*

The Family First Transition Act made two changes affecting financial reporting for title IV-E programs. These changes and their impact on Form CB-496 reporting are as follows:

1. *Temporary modification of the title IV-E Prevention Services program requirement that at least 50 percent of title IV-E prevention services provision expenditures by a state for a FFY be for “well-supported” practices*

The Family First Prevention Services Act included a requirement for state title IV-E agencies opting to implement the title IV-E Prevention Services program that at least 50 percent of title IV-E prevention services expenditures for a FFY be for services that meet the “well-supported” practice criteria described in section 471(e)(4)(C)(v) of the Act. (This requirement is not applicable to tribal title IV-E agencies opting to administer this program.) The Family First Transition Act suspends this practice level expenditure requirement for states for FFYs 2020 and 2021. It then provides for a modified program expenditure requirement for FFYs 2022 and 2023, whereby at least 50 percent of the amounts expended by the state for a FFY for title IV-E prevention services be for services that meet the “supported” and/or “well-supported” practice criteria. Beginning with FFY 2024 and for all FFYs going forward, states must meet the 50 percent “well-supported” expenditures requirement as described in section 474(a)(6)(A)(ii) of the Act.

The previously approved Form CB-496 provided for reporting of title IV-E prevention services provision expenditures in two funding categories as follows:

- “Prevention Services Provision - Well-Supported Practices”
- “Prevention Services Provision - Other Qualifying Practices”

The revised Form CB-496 provides for reporting of title IV-E prevention services provision expenditures in Part 1, section D in three funding categories as follows:

- “Prevention Services Provision - Well-Supported Practices”
- “Prevention Services Provision - Supported Practices”
- “Prevention Services Provision - Promising Practices”

The revision is needed to collect consistent state expenditure data in a manner that will permit ACF to establish that the program’s expenditure requirement is met for each FFY. The only CB-496 reporting change for tribes is that all expenditures for provision of prevention services are now reported in the funding category of “Promising Practices” rather than the former category of “Other Qualifying Practices”.

2. *Calculation of Funding Certainty Grants for certain title IV-E agencies that formerly operated a title IV-E child welfare waiver demonstration project*

The Family First Transition Act provides for the calculation of an additional grant of federal funding for title IV-E agencies that were

operating demonstration projects under section 1130 of the Act on September 30, 2019. This funding, identified as a “Funding Certainty Grant,” is to be calculated for FFYs 2020 and 2021. The Funding Certainty Grant is separate from title IV-E program grant awards, but is based upon the presence of a defined reduction for FFY 2020 and/or FFY 2021 in title IV-E federal financial participation (FFP) as compared to baseline (usually FFY 2019) amounts authorized under the former demonstration project terms and conditions. See ACYF-CB-PI-20-08, dated March 25, 2020 for further details on Funding Certainty Grants.

The calculation of Funding Certainty Grants requires qualifying title IV-E agencies to report title IV-E costs in funding categories under the former demonstration project, and any adjustments to such expenditures within two years of the last day of the fiscal quarter in which the expenditure was made, in a manner determined by the Secretary (section 602(c)(2)(E) of the Family First Transition Act).

The CB-496 continues to provide for reporting of demonstration project costs in Part 3. Title IV-E agencies that previously operated demonstration projects may need to use sections A and B of Part 3 to report prior quarter adjustments for demonstration project operational cost expenditures or current quarter or prior quarter adjustments for demonstration project evaluation cost expenditures. The revised CB-496 adds two new sections to Part 3 to address “Section E - Foster Care Post-Demonstration Costs - Funding Certainty Grant Calculation Data” and “Section F - Funding Certainty Grant Calculations.” These sections capture data and provide information as follows:

#### **Section E - Foster Care Post-Demonstration Costs - Funding Certainty Grant Calculation Data**

Section E provides for reporting of title IV-E foster care allowable costs for periods in either FFY 2020 or FFY 2021 that would have been classified, had they been incurred on September 30, 2019, as within project operations for an approved demonstration project. These costs are referred to as “post-demonstration” since they are attributable to the jurisdictions and funding categories that were participating in the former demonstration project (in accordance with the approved terms and conditions as in effect on August 31, 2019 for that project), but are for FFY 2020 or FFY 2021 periods after the termination of that project. All post-demonstration costs must be title IV-E allowable without consideration of any waivers that were in effect during the operational period of the former demonstration project.

Unlike in other sections of the CB-496, only expenditures for a quarter in the FFY specified on each Part 3, section E reporting line (either FFY 2020 or FFY 2021) are to be reported on that line. Therefore, the expenditures reported in Column A as current quarter are only those for a quarter in the specified FFY. The Column C prior quarter adjustments (increasing or decreasing) reported are similarly limited to those for an applicable period in the specified FFY. The Column G next quarter estimates, however, follow the regular CB-496 guidance which specifies that they are for the quarter whose ending date is six months after the ending date of the current quarter. This assures consistent reporting of next quarter estimates, which are not considered for Funding Certainty Grant calculations.

Amounts reported in section E must not also be reported by funding category (Lines 1a – 15) in section A of Part 1. Instead, the title IV-E agency must enter only the totals shown in Part 3, section E, Line 28a on new reporting Line 16b in Part 1 for title IV-E funding purposes.

The Part 3, section E data will be used in a separate calculation to determine the amount of any Funding Certainty Grant for FFY 2020 or FFY 2021 to which the agency may be entitled, based on claims submitted to date. This report must be completed for each quarter in FFY 2020 and FFY 2021 as well as any subsequent quarters in which prior quarter adjustments for post-demonstration costs are reportable.

The implementation of CB-496 Part 3, section E reporting will occur with the report for the current quarter ending March 31, 2020. However, costs meeting the definition of post-demonstration costs that were reported as title IV-E claims for the quarter ended December 31, 2019 (FFY 2020, quarter 1) must now be adjusted on an upcoming Form CB-496 to reflect the newly effective funding categories for FFY 2020. This action must be taken no later than on the Form CB-496 for the current quarter ended September 30, 2020 in order to qualify for consideration for a Funding Certainty Grant in the initial award round (approximately January 2021).

Since the Funding Certainty Grant calculation process requires title IV-E expenditure data for all FFY 2020 and FFY 2021 periods, title IV-E agencies that qualify for consideration for such grants will need to take several actions as follows:

1. Establish a process to track separately title IV-E costs subject to reporting as post-demonstration costs.
2. Separately compile by FFY and limit post-demonstration cost expenditures to amounts for applicable periods in each relevant FFY (2020 or 2021).

3. Limit reporting of post-demonstration prior quarter adjustments (increasing and decreasing) to expenditures for applicable periods within two years of the last day of the fiscal quarter in which the expenditure was made
4. Report any post-demonstration expenditures for the first quarter of FFY 2020 as prior quarter increasing adjustments. If such expenditures were claimed on the CB-496 for the current quarter ended December 31, 2019, provide decreasing prior quarter adjustments in the funding category(ies) initially claimed and increasing prior quarter adjustments in the appropriate newly available post-demonstration cost funding category(ies).
5. Report post-demonstration cost next quarter estimates for the quarter whose ending date is six months after the ending date of the current quarter (even where that is beyond the reporting line's specified FFY).

#### Section F - Funding Certainty Grant Calculations

The CB-496 Part 3, section F is only applicable for title IV-E agencies qualifying for Funding Certainty Grant consideration (i.e., agencies that were operating a demonstration project on September 30, 2019). It provides information on the baseline used in the calculation of Funding Certainty Grants and summarizes the status of any calculations to date with respect to potential or already issued awards through this grant for FFY 2020 or FFY 2021. Section F does not require any data entry.

#### *CB-496 changes for CWPM revisions*

These changes and their impact on Form CB-496 reporting are as follows:

##### 1. Legal representation costs for a child or parent

Title IV-E program regulations at 45 CFR 1356.60(c)(2)(ii) identify “preparation for and participation in judicial determinations” as a title IV-E allowable administrative cost. Previous title IV-E policy had limited such costs to those for the title IV-E agency's representation by its own attorneys in judicial determinations. The CWPM was revised through the addition of two new questions and answers (Q/A's) in section 8.1B in January 2019 (Q/A#30) and July 2019 (Q/A#31). These Q/A's revised title IV-E policy to allow the title IV-E agency to claim title IV-E foster care administrative costs of independent legal representation by an attorney for a child who is a candidate for title IV-E foster care or in foster care and his/her parent to prepare for and participate in all stages of foster care legal proceedings, such as court hearings related to a child's removal from the home.

The administrative costs of independent legal representation (i.e., legal representation provided by someone other than an agency attorney) for a child or parent must be paid through the IV-E agency, either directly, or through an agreement the title IV-E agency has with a tribe or public agency under section 472(a)(2)(B)(ii) of the Act. Either the title IV-E agency or the tribal or public agency with which it has the section 472 agreement may enter into a contract or other agreement with the attorneys or organization providing the independent legal representation.

This policy revision has garnered a great deal of interest and questions, prompting the need to capture additional information. In response, ACF is revising the CB-496 to clarify how title IV-E legal representation costs are to be reported and to collect information on the average monthly number of children served through title IV-E legal representation for a child or the child's parent(s).

The previously approved Form CB-496 Part 1, section A provided for reporting of preparation for and participation in judicial proceedings in foster care or pre-placement judicial determinations as a component of two funding categories as follows:

- “In-Placement Administrative Costs - Case Planning and Management”
- “Title IV-E Foster Care Candidate Administrative Costs - Case Planning and Management”

The revised Form CB-496 maintains these funding categories, but adds clarification in the instructions that provides that they be for reporting of legal costs in representing the agency. It also provides for two new funding categories covering legal representation costs for children and parents as follows:

- “In-Placement Administrative Costs – Legal Representation – Child or Parent”
- “Title IV-E Foster Care Candidate Administrative Costs – Legal Representation – Child or Parent”

Please note that these new funding categories become available for reporting beginning with the Form CB-496 submission for the current quarter ended March 31, 2020. There is no need for title IV-E agencies to adjust the reporting of otherwise allowable costs for activities covered in these funding categories that may have been claimed on Form CB-496 submissions for earlier periods.

Additional changes in the revised Form CB-496 include the reporting of children assisted through the above listed new funding categories on two new lines as follows:

- “Line 49b. Number of Children: In-Placement - Title IV-E Funded Child or Parent Legal Representation Administrative Costs”
- “Line 51b. Number of Children: Title IV-E Foster Care Candidate – Title IV-E Funded Child or Parent Legal Representation Administrative Costs”

Children reported on these lines will also likely be counted in reporting on Lines 49a, 50 or 51a since they may be benefiting from other administrative activities in addition to legal representation. The separate count of children (or their parents) who receive legal representation will assist ACF in answering questions regarding the scope of this activity.

2. Use of Adoption Savings funds for the non-federal share of an optional title IV-E program

The CWPM was revised through the addition of a new question/answer (Q/A) in section 8.2, Q/A #3 in February 2020. This Q/A revised title IV-E policy to allow the title IV-E agency to use Adoption Savings expenditures beginning in FFY 2020 for the non-federal share of an optional title IV-E program (i.e., Guardianship Assistance, Prevention Services or Kinship Navigator) within specified parameters.

The previously approved Form CB-496 Part 4 instructions provided guidance as follows:

Adoption Savings expenditures must consist of non-federal funds that are not also claimed for either federal reimbursement or as matching funds to secure federal financial participation.

The revised Form CB-496 Part 4 instructions now reflect the CWPM policy of Adoption Savings expenditures as follows:

Adoption Savings expenditures must consist of non-federal funds that are not also claimed for federal reimbursement or, in most instances, as matching funds to secure federal financial participation. For expenditure periods beginning in FFY 2020 and later, expenditures of calculated Adoption Savings may be used as a component of the non-federal match for optional title IV-E programs (i.e., Guardianship Assistance, Prevention Services or Kinship Navigator) to the extent

that the non-supplantation parameters described in the Child Welfare Policy Manual (section 8.2 Question/Answer #3) are met.

**SUBMISSION:** In accordance with the applicable Grant Terms and Conditions:

**Parts 1, 2 and 3 are submitted Quarterly.** Each quarterly report must be submitted within 30 days of the end of each fiscal quarter (i.e., **no later than January 30, April 30, July 30, and October 30**). **Part 4 is submitted Annually**, with the 4th quarter report (i.e., **no later than October 30**).

The quarterly and annual reports for these programs must be submitted electronically (unless a one-year waiver is requested and granted) through the ACF On-Line Data Collection (OLDC) system. Grantees must not submit duplicate copies (either by mail, by fax, or as an email attachment) of any reports submitted through OLDC. (See ACF Office of Grants Management Action Transmittal, OGM-AT-13-01, issued September 25, 2013.)

**EFFECTIVE DATE:** Title IV-E agencies are to begin using the revised Form CB-496 Parts 1 - 3 to report estimates and expenditures for covered title IV-E programs effective for purposes of the quarterly submission due on April 30, 2020. That submission covers the current quarter ending March 31, 2020 and the next quarter ending September 30, 2020. The Form CB-496 Part 4 must also continue to be used for the Form CB-496 Part 4 submission due on October 30 of each year covering the immediately prior FFY reporting period (e.g., FFY 2020 report due on October 30, 2020).

**PAPERWORK REDUCTION ACT:** Under the Paperwork Reduction Act of 1995 (Public Law 104-13), an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control number of the Form CB-496 is 0970-0510, approved through May 31, 2021.

**INQUIRIES TO:** Children's Bureau Regional Program Managers or ACF Regional Grants Officers

/s/

Elizabeth Darling  
Commissioner  
Administration on Children,  
Youth and Families

**ATTACHMENTS:**

Attachment A – Children’s Bureau Child Welfare Regional Program Managers and ACF Regional Grants Officers

Attachment B - Copy of the Form CB-496

Attachment C - Instructions to complete Form CB-496